

NATIONALISM

Nationalism, particularly in economic matters, is rising all over the world, in developed and developing countries alike. This can be seen in the efforts of the EEC, under French pressure, to attain agricultural self-sufficiency; local content requirements in most South American countries; and preferential treatment of indigenous trading companies in Japan. These are only a few examples. Continued adherence to the unconditional most-favored-nation principle leaves us without any adequate means of dealing with these increasingly important nontariff barriers to the growth of our trade. In response to such actions, emphasis must be placed on nondiscriminatory nationality treatment and reciprocity. To enforce this, the United States must make trade concessions conditional on some of these impediments being removed.

INTERNATIONAL CORPORATIONS

The rise of international corporations and their importance to world production and trade is inadequately understood. They are responsible for a substantial portion of our exports, and they have proved an effective means of spreading technical competence and economic progress.

International trade and investment are inextricably related. They are risky and expensive, requiring commitment of time, money and personnel, as well as experience in dealing with other peoples and governments. Traditional attitudes about small- versus large-scale business, however applicable at home, do not necessarily apply in world trade. We must help small businesses to pool their resources in foreign trade, and help the larger ones to do a more effective job. This may require a good hard look at our antitrust laws as they apply to foreign operations, and to tax laws and regulations as they apply to export business.

TECHNOLOGY

All the world, East and West, is aware of the advantages of technological progress as applied to large-scale business. In fact, most of the world envies U.S. industry, not only for its inventiveness, but also for its daring to take risks and apply up-to-date methods in production and marketing. This is the greatest comparative advantage the United States possesses in economic competition. But we cannot be complacent. There are all kinds of suggestions under discussion for the transfer of this technology to other countries. Western Europe, Eastern Europe, and the less-developed countries all want access to this technology and know-how. This is now a major preoccupation in Europe, and engages the interest of NATO and OECD, as well as the COMECON and UNCTAD countries. And, of course, once they get it they expect to compete with us.

Much of this technology is in private hands, with proprietary rights which cannot be divested. In certain fields, however, such as atomic power, electronics, communications, space, computers, defense production, health and agriculture, the U.S. Government is in posses-